

City of Wyoming

**Wyoming Housing
Commission**

Section 32

**Public Housing
Homeownership Plan**



Wyoming Housing Commission Section 32 Homeownership Plan

Table of Contents

A.	Mission	1
B.	Consultation with Residents	2
C.	Description of Property to be Sold	3
D.	Plan for Rehabilitation	4
E.	Purchaser Eligibility Requirements and Selection	5
F.	Terms and Conditions of Sales and Financing	9
G.	Counseling, Training and Technical Assistance	12
H.	Sale via PRE	16
I.	Sales Proceeds	17
J.	Administration	18
K.	Records, Accounts and Reports	19
L.	Timetable	21
M.	Marketing	22

APPENDICES:

1.	Property to Be Sold and Value.	23
2.	Physical Assessment	24
3.	Homeownership Application.	25
4.	Workability	27
5.	WHC's Performance in Homeownership	30
6.	Attorney's Certification	31
7.	Feasibility	32

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A. MISSION

The Wyoming Housing Commission (WHC) is a small agency with 196 family and elderly units. One of the agency's missions is to assist families to become self-sufficient, and home-ownership is a key component to that goal.

To help ensure the success of the Homeownership Plan, WHC will work closely with each purchasing family from initial application through the entire home buying process. Additionally, WHC staff will be available for counseling purchasing families during the first five years of homeownership. The position of the WHC is that homeownership aids a family toward achieving self-sufficiency and gives them a vested interest in the community. WHC is committed to making the Section 32 Homeownership Plan a success.

The WHC has formed a partnership with the Inner City Christian Federation (ICCF) to assist families in the complete home buying process. They provide financial, repair, and counseling services. Their mission coincides with ours – to provide all support possible to assist our families in achieving success.

B. CONSULTATION WITH RESIDENTS

Establishing a Section 32 Homeownership Plan was unanimously supported by WHC's Resident Advisory Board which includes representatives from each of the Housing Commission's three developments. WHC included establishing a Section 32 Homeownership Plan in its FY2005 Housing Agency Plan and the plan was discussed in a Public Hearing held on December 15, 2004. Additionally, the WHC has had numerous requests from the residents about purchasing their homes.

C. DESCRIPTION OF PROPERTY TO BE SOLD

Thirty-eight single family detached two, three, and four bedroom homes in the Wyoming Housing Commission developments MI115-001, -002, and -003 are included for sale. The inventory includes nine 2-bedroom, twenty-four 3-bedroom (one of which is HCP accessible), and five 4-bedroom homes.

The homes have varying dates of construction from 1915 to 1983. They are also varying types of homes from small 2 bedroom bungalows to 4 bedroom two story homes.

The homes have natural gas forced air furnaces, ranges, refrigerators and domestic hot water heaters. Eleven homes tested positive for lead based paint and all were abated. The abatement included removal of the hazard, encapsulating and complete exterior siding.

Appendix 1 provides the listing of properties to be sold.

D. PLAN FOR REPAIR OR REHABILITATION

The Wyoming Housing Commission (WHC) has maintained the homes in excellent repair. Before each home is sold, the WHC will ensure the home meets local code requirements as well as Section 8 HQS (Housing Quality Standards). Further, the WHC will ensure the homes for sale are in good repair with the major components having a remaining useful life that is sufficient to justify a reasonable expectation that homeownership will be affordable to the homebuyers. When a prospective homebuyer with disabilities requests accessible features, the features will be added in accordance with 24 CFR Part 8.

Funding for the repairs and renovations will come from WHC's capital budget and from proceeds from the sales of the homes designated for homeownership. Five-thousand dollars has been budgeted for each home that is sold. If extraordinary repairs are needed and the estimate is over \$5000, the Wyoming Housing Commission will evaluate the practicability of the sale. If it determines that the sale is still in the best interest of the purchaser and the commission, the additional amount will be authorized to facilitate the sale. Repairs will only be completed when required and necessary. (See Appendix 2)

E. PURCHASER ELIGIBILITY REQUIREMENTS AND SELECTION

Application for Homeownership

Families who are interested in purchase must submit an application (see Appendix 3) for that specific purpose, and the applications will be handled separately from other WHC programs.

Who is Eligible

Current participants in any Wyoming Housing Commission program are eligible to participate. Priority will be given to those families who currently reside in the unit they wish to purchase. The family must have lived in the home for at least one year and be in good financial standing with the Wyoming Housing Commission and the City of Wyoming. The family must have maintained the home in good repair. Other residents may also submit an application to purchase any one of the available homes. If a family qualifies to purchase a home but, the unit is occupied by another family, the WHC will relocate the displaced family to another comparable unit. In this instance, the purchasing family must still meet the one-year residency requirement of its current or a prior unit.

Residency Requirement

All homebuyers must be in lawful occupancy of a WHC public housing unit for a minimum of one year prior to conveyance of title to the dwelling to be purchased. Families may apply who do not meet the one-year requirement provided that their selection for homeownership is conditioned upon completion of the minimum residency requirement prior to conveyance of the title.

Principal Residence Requirement

The home sold to an eligible low-income family must be used as the principal residence of the family.

Financial Capability Requirement

Eligibility will be limited to low-income families who are capable of assuming the financial obligations of homeownership, under minimum income standards for affordability, taking into account the unavailability of public housing operating subsidies and modernization funds **after** conveyance of the property by WHC.

Under this affordability standard, an applicant must meet the following requirements:

- On an average monthly estimate, the amount of the family's payment for mortgage principal and interest, plus insurance, real estate taxes, utilities and maintenance must not exceed thirty-five percent (35%) of the family's adjusted income, and,

- The family must be able to pay any amounts required for closing (down payments, closing costs, etc.).

Down Payment Requirement

Purchasing families must provide a down payment, which will typically vary from three to five percent of the sale price depending upon the funding source (i.e. conventional, VA, Federal Home Loan Bank, MSHDA, etc.). The purchasing family must use its own resources other than grants, gifts, contributions, or similar amounts, to contribute a minimum of one percent (1%) of the purchase price of the home toward the down payment. The purchasing family may use grant amounts, gifts from relatives, contribution from private sources, and other similar amounts in making the remainder of the down payment that is in excess of one percent (1%) of the purchase price.

Evidence of Regular Income

Eligibility will be limited to families who can show evidence of regular income. Such evidence may include, but is not limited to:

- Employment – Evidence the primary wage earners have a minimum of one year of gainful steady employment immediately prior to application. Employment cannot be seasonal but must be year round with long-term employment prospects.
- Benefits – Evidence of routine on-going income from such benefits as retirement plans, social security, disability payments, annuities and the like.

Credit

A check of the applicant's current credit standing must not reveal a pattern of late payments, unpaid bills or bad debts placed for collection. Current credit charges must not reveal a long-term debt which would interfere with the family's financial ability to make monthly mortgage payments. Bad credit histories may be resolved by successfully completing the required Homebuyer Training and credit counseling as structured by WHC.

Criminal Activity

Eligibility will be limited to families that pass criminal background checks as defined in WHC's Admission and Continued Occupancy Policy for admitting families into public housing.

Family Status and Size

Household status and size must be consistent with local occupancy codes and standards detailed in WHC's Admission and Continued Occupancy Policy.

Renter In Good Standing

To be eligible, families must demonstrate they are renters in good standing. Evidence shall include, but is not limited to:

- Family is current in all lease obligations over a period of not less than six months prior to application
- Family has a good record of maintaining current and past housing unit(s) and exterior grounds
- Family is recognized as a responsible renter in terms of neighborhood consciousness with respect to creating noise, late partying, storing of junk vehicles on the premises, controlling children's behavior and being aware of their role in making the neighborhood a desirable place to live.
- Family must be in good standing with the City of Wyoming (i.e. no past due accounts or unpaid fines, etc.)

Families Who Do Not Qualify

Families who did not qualify may reapply for homeownership after the lapse of a one year period from date of denial.

Applicants Who Give False Information

Applicants who falsify information during the application process will be excluded from the homeownership program.

Homebuyer Training

Before purchasing a home, families must complete a WHC conducted, or approved, home buyer training program.

Marketing Strategy

WHC will implement a marketing program which will outreach to all current residents.

- Current WHC Residents
 - Individual letters
 - Newsletters
 - Resident Advisory Board meetings
 - Individual contact with each of the 38 families currently living in the homes to be sold.
 - Notices on WHC bulletin boards

Non-Discrimination Certification

The Wyoming Housing Commission will assure compliance with the Fair Housing Act, Title VI of the 1964 Civil Rights Act, Executive order 11063 and other appropriate regulations prohibiting discrimination.

F. TERMS AND CONDITIONS OF SALES AND FINANCING

1. Pre-Qualification – Meeting General Eligibility Requirements

The Wyoming Housing Commission staff will pre-qualify applicants for the Public Housing Homeownership Program. If the applicant family appears to meet the general eligibility requirements identified under the Purchaser Eligibility Requirements and Selection portion of this document, the Housing Commission will authorize the applicant to proceed for final qualification with the mortgage company or bank identified for handling the sales.

2. Final Qualification – Developing a Financing Plan

Although a family may meet the general eligibility requirements established in the pre-qualification state, a much more thorough review of the family's income and financial obligations is necessary to establish a realistic mortgage payment level and to determine which financing approach appears best suited to meeting its needs. The mortgage company will review the Housing Commission information and findings and will proceed with its own in-depth financial examination of the applicant.

Home Sale Price

The Wyoming Housing Commission, in accordance with Federal Section 32 Homeownership specifications, has the authority to allow the price of a dwelling unit to be discounted up to 50% of the appraised value of the unit. Local lenders have applied a maximum mortgage amount at roughly 2.5 times annual income. For the applicants whose incomes range from \$12,000 upward, this discounting function allows a family to proceed with purchase where the purchase might otherwise be impossible.

The properties will have independent appraisals to determine the selling price. No appraisal will be completed until a family expresses a serious interest in the purchase, and meets cursory eligibility.

Down Payment

The size of the down payment will typically vary from three to five percent of the sale price depending upon whether VA, Federal Home Loan Bank, MSHDA or conventional financing is used. The Wyoming Housing Commission staff will work closely with the applicants to analyze their financial and credit situation to help determine the most appropriate and advantageous available funding alternative. The Housing Commission staff will also work closely with MSHDA, other agencies and nonprofits to help purchasing families obtain assistance with their down payment.

It is a requirement that purchasing families must make a down payment of at least one percent (1%) of the purchase price of the home toward the total down payment. The purchasing family must use its own resources other than grants, gifts, contributions or similar amounts. However, the purchasing family may use grant amounts, gifts from relatives, contributions from private sources and other similar amounts in making the remainder of the down payment that is in excess of one percent (1%) of the purchase price.

Interest Rate

The Wyoming Housing Commission must approve the type of mortgage used, which will be a fixed interest rate mortgage. In order to help the tenant-buyer obtain a lower interest level than that currently available, a “buy-down” approach may be offered. The lender (bank/mortgage company) will discuss with the borrower if this approach is feasible.

Second Mortgage

The Wyoming Housing Commission, in order to protect its interest in the dwelling unit and achieve certain program goals, will obtain from the homebuyer a second mortgage. This second mortgage will include the following items:

1. The amount of the second mortgage will initially be the difference in value between the first mortgage and the appraised value of the structure.
2. The term will extend for a ten-year period starting on the date all sale documents are signed and agreements lawfully executed.
3. For each year after which a full five years of mortgage payments have been made, the amount of the second mortgage shall be reduced in accordance with the following schedule: 50 percent after five years, 60 percent after six years, 70 percent after seven years, 80 percent after eight years, 90 percent after nine years and 100 percent after ten years, provided that the mortgage payments are up to date on the annual anniversary of the first payment. After ten years of payments, the second mortgage shall be discharged.
4. The second mortgage is between the homebuyer and the Wyoming Housing Commission; no interest will be charged.

The second mortgage balance will become due and payable if the homebuyer fails to abide by any of the following stipulations within this ten-year period:

- a. Defaults on the first mortgage
- b. Sells the house

- c. Moves out of the house
 - d. Unit is damaged and under an insurance claim and is a total loss
5. The homebuyer must purchase and maintain homeowners insurance for the full amount of the appraised value of the home for the entire term of the second mortgage.

Note – if the homebuyer defaults within the first ten years, the Wyoming Housing Commission will assess its investment to determine if it would be in its best interest to reclaim the property from the mortgage holder.

Limitations on Resale of Home in First Five Years

Homebuyers may resell the home in the first five years but must repay all outstanding mortgages (First and Second) and pay WHC all economic gain derived from the resale taking less the verifiable costs of any improvements the Homebuyer makes to the property.

Financial Lending Institutions

Following is a partial list of financial institutions and other organizations who have expressed interest in assisting with WHC's Section 32 Homeownership program:

- Wyoming local banks
 - 5/3 Bank
 - Flagstar Bank, 4364 Lake Michigan Dr NW, Grand Rapids, MI 49544
- Other area resources
 - Heartwell Mortgage Corporation, 1580 East Beltline, Grand Rapids, MI 49506
- Other state and federal resources
 - Michigan State Housing Development Authority (MSHDA)

G. COUNSELING, TRAINING AND TECHNICAL ASSISTANCE

Homebuyer Training

Before purchasing a home, families must complete a WHC conducted or approved Homebuyer Training program. WHC staff will work closely with local banks, lending institutions, Michigan State University Cooperative Extension and other sources to develop a program tailored specifically for low-income families. Topics will include, but not be limited to:

- Definition of terms used in buying a home
- Steps in buying a home
- What it takes to qualify to buy a home
- Credit
- Resolving credit problems
- Family budgeting
- Importance of not missing mortgage payments
- Property taxes
- Homeowners Insurance
- On-going homeowner maintenance and repair costs

Homeowner Maintenance Training

Prior to taking possession of the property, the family must complete WHC conducted or approved homeowner maintenance training. WHC staff will work closely with local vocational/technical schools and others to conduct basic home maintenance and repair training. Topics will include, but not be limited to:

- Tools
 - Use and care of hand tools
 - Use and care of powered tools
 - Safety
- Electrical
 - Definition of major electrical system components found in the home (meter, main panel, circuit breakers, outlets, switches, light fixtures, GFI, etc.)
 - Resetting circuit breakers
 - GFI outlets (location, testing, resetting)
 - Replacing switch and outlet covers
 - Testing for “dead” outlets
 - Electrical safety
 - Replacing light bulbs in rooms, the refrigerator and the stove
- Plumbing

- Definition of major plumbing system components found in the home (meter, water shut off valve, water line, sewer line, hot water heater, sinks, commodes, tubs, etc.
- Unclogging sinks, tubs and commodes using plumbers helper and small hand sewer snake
- Setting the hot water heater temperature
- Replacing faucet seals
- What to do to prevent clogging sewer drain lines
- Replacing commode flush valves
- Plumbing safety
- Forced air natural gas furnace
 - Definition of terms (thermostat, combustion chamber, circulating fan, stack, filter, vents, etc.)
 - Setting the thermostat for lowest gas bills
 - Changing filters
 - Keeping clothes, boxes and other items away from the furnace
 - Furnace maintenance
 - Furnace safety
- Painting
 - Types of paint and where to use
 - Painting supplies (brushes, rollers, drop cloth, etc.)
 - Preparing surfaces for painting
 - How to paint doors, walls, ceilings and outside trim
 - Cleaning up after painting
 - Ladder safety
 - Painting safety
- Drywall
 - Using spackling compound for small holes
 - Sanding
 - Repainting
- Grounds
 - Grass mowing, trimming and edging
 - When and how to plant grass and other plants
 - When and how to apply fertilizer
 - When and how to water the lawn and plants
 - When and how to trim shrubs

Families who are purchasing homes will also be encouraged to take home maintenance courses from local businesses such as Home Depot, Lowe's, etc.

Non-routine Maintenance Fund

A non-routine maintenance fund will be set up for each family when they purchase their home. The purpose of the fund is to ensure the long-term success of the Section 32 Homeownership Plan, including protection of the homeowners and WHC.

- Funding Source

- \$500 lump-sum set-aside from the proceeds of the sale of the house
- \$10/month from the homeowner to WHC for the first sixty (60) months.
- The WHC recommends the family to pay the first year (\$120) at closing and pay the remaining fees on an annual basis.
- The WHC will establish a separate repair fund account for each family that purchases a home.

- Disbursement

- Funds will be held by WHC for the first 60 months. After sixty (60) months of continuous homeownership, any funds not used will be transferred to the homeowner.
- WHC will be the only party allowed to determine eligibility and disburse monies from this fund.
- Before repairs can be approved, an inspection of the proposed repair shall be made by the Housing Commission's maintenance staff to ascertain legitimacy.
- The homeowner shall obtain a minimum of two bids from established repair firms and the lowest, best bid amount as determined by WHC shall be the amount disbursed from the fund after a bill for the completed services has been rendered to WHC.
- Repairs under \$100 are ineligible from the non-routine maintenance fund.
- The homeowner will be required to pay the first \$100 on all repairs exceeding \$100 per occurrence.

- Eligible Repair Items

Only repairs to the structure itself and sheds and not outside repairs to grounds, cracked concrete driveways or walkways, fences, or landscaping shall be allowed

Only singular repairs exceeding \$100 in costs are eligible. However, directly related repair costs will also be permitted under eligible repair items.

A cumulative total of no more than \$1,100 will be disbursed to any one homeowner unless specifically approved by the WHC's Board of Commissioners.

The following are examples of ineligible items: wall painting, wall papering, replacement light fixtures, linoleum, carpet and similar items.

Items which exceed the \$100 value and are damaged or worn out, such as the furnace, hot water heater, exterior doors or windows, roof shingles, plumbing piping,

electrical wiring, as well as general repairs to the roof, siding, foundation, porch or steps are eligible.

In the case of storm damage, vandalism or other type damage, the insurer of the property shall be contacted first to determine if they will cover the repair prior to contacting the Housing Commission.

On-going Support

During the first sixty (60) months of continuous homeownership, WHC will provide on an “as needed” basis at no charge to the homeowner, credit and family budgeting counseling and advice on repair and maintenance problems.

H. SALE VIA PRE

A PRE is a Purchase and Resale Entity whose function is to purchase the units and resale them to low-income families. A PRE will not be used in this plan.

I. SALES PROCEEDS

WHC will use any net proceeds from homeownership sales remaining after payment of all costs of the sale for purposes related to low-income housing for the following: (See Appendix 4 for projection of proceeds.)

- Funding non-routine maintenance fund for homes sold
- Establishing a reserve for repurchase, repair and resale of homes in event of default
- Hiring a Homeownership Coordinator who will be responsible for managing WHC's Section 32 Homeownership program, preparing residents to become homebuyers through counseling, and self-sufficiency training, handling all facets of the sale and property title transfer, conducting "Homebuyer" and "Homeowner Maintenance" training, and providing on-going counseling, training and technical assistance to homeowners.
- Funding the repair and rehabilitation of the thirty-eight homes for sale under WHC's Section 32 Homeownership Program
- Funding family self-sufficiency, homebuyer and maintenance training programs
- Building additional new and/or acquiring and rehabbing existing housing units for sale or rent to low-income families
- Providing down payment assistance and/or buying-down interest in order to help low-income families buy homes
- Purchasing maintenance service vehicles, tools and equipment for WHC's maintenance operations
- Augmenting WHC's operating and capital budgets
- Acquiring or converting Public Housing units to meet ADA (504) requirements

J. ADMINISTRATION

The Section 32 Homeownership Program will be administered by the Executive Director of the Wyoming Housing Commission and/or his/her designee.

K. RECORDS, ACCOUNTS AND REPORTS

Separate Records

The WHC will keep records of all revenues, expenses and transactions separate from all other programs administered by the Housing Commission.

Accounting Practices

Generally accepted accounting principles and practices will be followed. Monthly activity, revenue and expense reports will be developed and submitted to WHC's Board of Commissioners. WHC will maintain all records including sales and financial records and racial and ethnic characteristics of the purchasers, for all activities related to the implementation of the Section 32 Homeownership Program.

Annual Audit

The Section 32 Homeownership Program will be audited annually as part of WHC's regular independent audit.

Annual Report

WHC will submit an annual sales report to HUD on a form prescribed by HUD.

Records Available

All books and records will be available for inspection and audit by HUD and the General Accounting Office (GAO) and MSHDA at the WHC offices.

All documentation of the sales of the homes shall be kept in a separate file for a minimum of the length of the mortgage plus three additional years. All files shall be maintained until the Wyoming Housing Commission no longer has any interest in the property and the first and second mortgages have been discharged.

The file shall minimally contain:

- The original application completed by the family
- Documentation supporting the family's eligibility to purchase
- The Property Appraisal
- Buy-sell Agreement
- Settlement Statement
- Property Deed
- The Second Mortgage Addendum
- Any and all paperwork generated at the closing of the sale
- A copy of the resolution to sell the property by the Housing Commission and another by the City Council

- A statement from the HUD Special Applications Center (SAC) releasing its interest
- The Second Mortgage Discharge
- Documentation of the distribution of the Proceeds from the sale

Other items included but not mandatory are:

- A summary of maintenance repairs and requests
- Any inspections performed for the sale
- Documentation regarding recapture of the property
- Documentation of any unusual occurrence regarding the property

L. TIMETABLE

WHC Board approves Section 32 Homeownership Plan	May 2005
WHC submits plan to HUD (SAC)	May 2005
Plan Submitted to City Council	June 2005
HUD approves plan	July 2005
Begin outreach	July 2005
Sell first home	September 2005

M. Marketing

The Wyoming Housing Commission will provide each potential home buyer one copy of the Section 32 Homeownership plan at initial entry into the program or at annual recertification if the family expresses an interest in the program. The WHC will also send a copy of the plan to those families who request one or have already expressed an interest in purchasing the home in which they are living. The WHC is providing the opportunity for any of our residents to purchase a home if they qualify financially and meet the other factors stipulated in this plan.

The director or staff will also be available to discuss the purchase options for each resident and will assist any resident through the different phases of the purchase.

APPENDIX 1
PROPERTY TO BE SOLD

Unit #	Address	# of Bdms	Approx Year Built	Sq Ft	Approx Value	Lot Size
1	323 Wilbur SE	2	1975	900	\$ 89,000	40x133
2	330 Murray SW	3	1975	1190	\$ 105,000	40x132
3	140 Burt SE	3	1975	1190	\$ 105,000	40x133
4	147 Burt SE	3	1975	1190	\$ 105,000	40x133
5	159 Walter SE	3	1975	1190	\$ 105,000	40x133
6	23 50 th SW	2	1975	900	\$ 89,000	50x110
7	232 Janet SE	3	1975	1190	\$ 105,000	40x133
8	* 2556 Woodward SW	3	1975	1190	\$ 105,000	40x132
9	300 Murray SW	3	1975	1190	\$ 105,000	80x132
10	3213 Homecrest SW	3	1975	1190	\$ 105,000	40x140
11	3611 Michael SW	3	1975	1190	\$ 107,000	50x100
12	3733 Horton SE	3	1975	1190	\$ 105,000	40x137
13	4146 Madison SE	2	1975	900	\$ 89,000	48x132
14	4156 Madison SE	2	1975	900	\$ 89,000	48x132
15	4603 Pinehurst SW	4	1975	1360	\$ 115,000	54x120
16	5111 Carson SW	3	1975	1190	\$ 107,000	44x213
17	5130 Carson SW	3	1975	1190	\$ 107,000	44x150
18	5157 Cisne SW	4	1975	1360	\$ 115,000	55x150
19	5161 Cisne SW	3	1975	1190	\$ 107,000	53.5x150
20	5165 Cisne SW	3	1975	1190	\$ 107,000	55x150 IR
21	960 Royal Oak SW	2	1983	900	\$ 90,000	90x184
22	1204 Rathbone SW	3	1983	1085	\$ 92,000	
23	1637 Federal SW	3	1983	1085	\$ 92,000	40x105
24	2259 Avon SW	3	1983	1085	\$ 110,000	80x122
25	3647 Bluebird SW	3	1983	1085	\$ 105,000	60x132
26	3657 Bluebird SW	3	1983	1085	\$ 105,000	60x132
27	3665 Bluebird SW	3	1983	1085	\$ 105,000	60x132
28	1200 Rathbone SW	4		1200	\$ 107,000	80x115
29	1259 Whiting SW	2	1925	816	\$ 105,000	40x115
30	1951 Hendricks SW	4	1920	1300	\$ 99,000	38x97
31	2226 Berwyn SW	3	1933	865	\$ 92,000	40x132
32	2240 Greenfiled SW	3	1915	1200	\$ 105,000	60x138
33	2255 Avon SW	4	1930	1200	\$ 110,000	IRREG
34	2425 McKee SW	2	1930	664	\$ 85,000	77x289
35	2703 Hague SW	2	1957	1140	\$ 100,000	
36	2819 Wyoming SW	3	1930	1248	\$ 115,000	50x117
37	44 Avonlea SW	3	1950	1060	\$ 105,000	50x137
38	46 Blackburn SW	2	1938	959	\$ 90,000	45x100
	* HCP Accessible					

APPENDIX 2

PHYSICAL ASSESSMENT

Based upon WHC's assessment of the 38 single family detached homes which are designated for Section 32 Homeownership sale, it is estimated that repairs and renovations which may be needed to bring the homes up to Section 32 Homeownership Standards should not exceed \$5,000 per unit. Work items include, but are not limited to:

- New roofing
- New carpeting in living room, hallway and bedrooms (as determined)
- Appliances (as determined)
- New foundation vents
- New driveways
- Some landscaping
- Furnace Duct Cleaning

The maintenance staff of the Wyoming Housing Commission or another contracted professional chosen by the WHC shall evaluate the need for repairs.

APPENDIX 3



WYOMING HOUSING COMMISSION APPLICATION Home Ownership

APPLICANT INFORMATION - PLEASE PRINT IN INK

Name (First, Middle, Last)		Date of Birth	Phone Number
Address	City	State	Zip
Name of person and phone number where you can be reached.		Relationship	Leave a message? Yes No

PROVIDE ALL INFORMATION REQUESTED & ANSWER ALL QUESTIONS BELOW

List yourself first and all other persons who will be living in your home. Include persons who are temporarily absent from your home due to military service, education or hospitalization.					Race of Head of Household: A=Asian B=Black H=Hispanic N=Native American P=Hawaiian or Pacific Islander W=White O=Other <input type="checkbox"/>		
	NAME - List applicant first (Last, First, Middle)	Relationship to you	Date of Birth Mo/Day/Year	Social Security Number	U.S. Citizen Y or N	Sex M or F	Marital Status M=Married N=Never married D=Divorced W=Widowed S=Separated
1		Self					
2							
3							
4							
5							
6							
7							
8							

EARNED INCOME: (Answer all Questions) Include persons who are self-employed

Name of person with earnings:	Start Date	Will employment continue? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Employer Name & Address	Monthly pay before taxes	Monthly pay after taxes	
Average # of hours/week	How often paid? <input type="checkbox"/> Weekly <input type="checkbox"/> Twice a month <input type="checkbox"/> Every 2 weeks <input type="checkbox"/> Other	Day of week paid	Last pay date
Rate of Pay \$ _____ Hourly \$ _____ Salary \$ _____ Other	Tips/bonus rec'd <input type="checkbox"/> Yes <input type="checkbox"/> No		Avg tips per week
Name of person with earnings:	Start Date	Will employment continue? <input type="checkbox"/> Yes <input type="checkbox"/> No	
Employer Name & Address	Monthly pay before taxes	Monthly pay after taxes	
Average # of hours/week	How often paid? <input type="checkbox"/> Weekly <input type="checkbox"/> Twice a month <input type="checkbox"/> Every 2 weeks <input type="checkbox"/> Other	Day of week paid	Last pay date
Rate of Pay \$ _____ Hourly \$ _____ Salary \$ _____ Other	Tips/bonus rec'd <input type="checkbox"/> Yes <input type="checkbox"/> No		Avg tips per week

OTHER INCOME:

Does anyone receive money from:	Yes	No	If yes, who receives?	Monthly Amount	Claim #	If yes, who receives?	Monthly Amount	Claim #
Social Security Benefits (RSDI)								
Supplemental Security Income (SSI)					State Qtrly \$			State Qtrly \$
Veterans' Benefits								
How often paid? W = weekly M=Monthly T=Twice a month					How often paid		How often paid	
E=Every other week O=Other (please state):								
Workers Compensation								
Other Disability Benefits								
Child Support								
Unemployment benefits								
Retirement Benefits								
Military Allotments								
FIA Benefits - Indicate monthly amount			Who	Amt	Type	Who	Amt	Type
			Who	Amt	Type	Who	Amt	Type
Do you receive any other money? Please specify.								

SIGNATURE CERTIFICATION:

All adults in the home must sign this application. By signing, you are attesting that all information is true and correct, and you understand that providing any false statements will disqualify you from the home ownership program.

Signature of Head of Household

Date

Signature of Spouse

Date

Signature of Other Adult

Date

Signature of WHC Employee as witness

Date

For WHC Staff Use Only:

Address of Property to be purchased: _____

Appraised Value: \$ _____

Purchase Price: \$ _____

Does the family meet the income requirements?

Y	N
<input type="checkbox"/>	<input type="checkbox"/>

Does the purchaser have the required down payment?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Has the purchaser(s) completed the required financial seminar?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

If yes, date: _____

Has the purchaser(s) completed the required maintenance program?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

If yes, date: _____

Has the purchaser met the residency requirement?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Is the Family in good standing with the WHC?

<input type="checkbox"/>	<input type="checkbox"/>
--------------------------	--------------------------

Based upon the requirements of the program, the WHC determines that the applicant does does not qualify to purchase the home.

Signature

Date

APPENDIX 4

WORKABILITY

Need for Homeownership

The WHC has had several families expressing interest in purchasing the home in which they are living. The WHC views home ownership as an important step for promotion of family self-sufficiency.

Affordability

The approximate values of the homes range from \$85,000 to \$115,000. Using the local lenders rule-of-thumb, a family can afford a home that costs 2.5 times its income. Depending on the families' income, the homes will be discounted 40-50% of the appraised value. The percentage discount equates directly to the families' percentage of area median income (AMI) – a 50% discount applies to families whose income is equal to or under 30% of the AMI; 45% discount applies to families at 31-50% AMI; and 40% discount for those 51-80% of the AMI.

Number of Potential Homebuyers

The chart below indicates a summary by income category of current WHC residents who live in the single family detached homes:

	Up to 30% of AMI based on family size	31-50% AMI based on family size	51-80% AMI based on family size	Total
WHC Residents	17	10	11	38

Of the above 38 families, fifteen (39%) would currently qualify, based on the family income, to purchase the home in which they are living. (See Appendix 7)

Availability of Financing

WHC contacted several local lending institutions and agencies, which serve Wyoming, Michigan area and determined that suitable and adequate financing was available for the Section 32 Homeownership program.

Section 32
Sliding Scale Income Based Eligibility
and Discount From Appraised Value

<u>Income Level</u>	<u>% AMI</u>	<u>Discount Reduction %</u>	<u>Purchase Price For a House Appraised At \$90,000</u>	<u>Purchase Price For a House Appraised At \$105,000</u>
Extremely-Low Income	≥30% AMI	50%	\$ 45,000	\$ 52,500
Very-Low Income	31-50% AMI	45%	\$ 49,500	\$ 57,750
Low Income	51-80% AMI	40%	\$ 54,000	\$ 63,000

Estimate of Proceeds from the Sale of Homes

Unit #	Address	# of Bdms	Approx Value	Purchase Price w/ 45% discount	Less closing costs @ \$5000 = Net proceeds
1	323 Wilbur SE	2	\$ 89,000	\$ 48,950.00	\$ 43,950.00
2	330 Murray SW	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
3	140 Burt SE	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
4	147 Burt SE	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
5	159 Walter SE	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
6	23 50 th SW	2	\$ 89,000	\$ 48,950.00	\$ 43,950.00
7	232 Janet SE	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
8	2556 Woodward SW	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
9	300 Murray SW	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
10	3213 Homecrest SW	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
11	3611 Michael SW	3	\$ 107,000	\$ 58,850.00	\$ 53,850.00
12	3733 Horton SE	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
13	4146 Madison SE	2	\$ 89,000	\$ 48,950.00	\$ 43,950.00
14	4156 Madison SE	2	\$ 89,000	\$ 48,950.00	\$ 43,950.00
15	4603 Pinehurst SW	4	\$ 115,000	\$ 63,250.00	\$ 58,250.00
16	5111 Carson SW	3	\$ 107,000	\$ 58,850.00	\$ 53,850.00
17	5130 Carson SW	3	\$ 107,000	\$ 58,850.00	\$ 53,850.00
18	5157 Cisne SW	4	\$ 115,000	\$ 63,250.00	\$ 58,250.00
19	5161 Cisne SW	3	\$ 107,000	\$ 58,850.00	\$ 53,850.00
20	5165 Cisne SW	3	\$ 107,000	\$ 58,850.00	\$ 53,850.00
21	960 Royal Oak SW	2	\$ 90,000	\$ 49,500.00	\$ 44,500.00
22	1204 Rathbone SW	3	\$ 92,000	\$ 50,600.00	\$ 45,600.00
23	1637 Federal SW	3	\$ 92,000	\$ 50,600.00	\$ 45,600.00
24	2259 Avon SW	3	\$ 110,000	\$ 60,500.00	\$ 55,500.00
25	3647 Bluebird SW	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
26	3657 Bluebird SW	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
27	3665 Bluebird SW	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
28	1200 Rathbone SW	4	\$ 107,000	\$ 58,850.00	\$ 53,850.00
29	1259 Whiting SW	2	\$ 105,000	\$ 57,750.00	\$ 52,750.00
30	1951 Hendricks SW	4	\$ 99,000	\$ 54,450.00	\$ 49,450.00
31	2226 Berwyn SW	3	\$ 92,000	\$ 50,600.00	\$ 45,600.00
32	2240 Greenfiled SW	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
33	2255 Avon SW	4	\$ 110,000	\$ 60,500.00	\$ 55,500.00
34	2425 McKee SW	2	\$ 85,000	\$ 46,750.00	\$ 41,750.00
35	2703 Hague SW	2	\$ 100,000	\$ 55,000.00	\$ 50,000.00
36	2819 Wyoming SW	3	\$ 115,000	\$ 63,250.00	\$ 58,250.00
37	44 Avonlea SW	3	\$ 105,000	\$ 57,750.00	\$ 52,750.00
38	46 Blackburn SW	2	\$ 90,000	\$ 49,500.00	\$ 44,500.00
			Total Potential Proceeds		\$ 1,942,900.00

The above projection is based on all thirty eight homes being sold. The discount used in the projection is 45%. Actual proceeds will vary depending on the appraised value and the allowable discount. The goal of the Wyoming Housing Commission is to sell a minimum of two houses per year. The proceeds from the sales will be used in accordance with the Homeownership Plan and to improve the financial standing of the Commission.

APPENDIX 5

WHC'S PERFORMANCE IN HOMEOWNERSHIP

WHC has had previous experience in carrying out a homeownership program under the Home Demonstration Project. The Commission was mandated to discontinue selling homes under that program as it had ended. The WHC would like to resume the Home Ownership program under the Section 32 plan.

The WHC, under the previous program, sold 22 homes. Only one of the sales resulted in a foreclosure and another was sold as a result of the purchaser's death. Since the previous program ended, three families have inquired about purchasing the home in which they are currently living.

APPENDIX 6
Attorney's Certification

Ms. Helen Haight
Executive Director
Wyoming Housing Commission
2450 36th St SW
Wyoming MI 49519-3158

Dear Ms. Haight:


I have reviewed the Wyoming Housing Commission's Homeownership Program for the single family detached homes in development #'s MI115-001, 002 and 003.

I find it consistent with all applicable requirements of Federal, State, and Local law, including regulations as well as statutes.

1. I certify that the documents used to implement the homeownership plan ensure that sales will be made only to eligible families as set forth in 24 CFR, Section 906.15, and are in compliance with the restriction of use of resale proceeds as set forth in 24 CFR, Section 906.27.
2. (If applicable) Further the program documents are in compliance with the 5-year Purchase Resale Entity (PRE) sale guarantee as set forth in 24 CFR, Section 906.19 (d), and are in compliance with the restriction of use of resale proceeds as set forth in 24 CFR, Section 906.31 (b).

Should you have any questions, concerns, or require additional assistance, please do not hesitate to contact me at 616-249-3421.

Sincerely,



Jack Sluiter, City Attorney

APPENDIX 7 Feasibility

Unit #	# Disbld	Eld	# in Family:	Gross Annual Income:	Max Mortgage	% Dis	Apx Val	Selling price	Afford
1	0	N	2	\$3,288.00	\$8,220.00	50%	\$ 89,000	\$ 44,500	N
2	0	N	3	\$12,830.00	\$32,075.00	50%	\$ 105,000	\$ 52,500	N
3	0	N	4	\$33,517.00	\$83,792.50	40%	\$ 105,000	\$ 63,000	Y
4	1	N	2	\$14,040.00	\$35,100.00	50%	\$ 105,000	\$ 52,500	N
5	0	N	3	\$14,500.00	\$36,250.00	50%	\$ 105,000	\$ 52,500	N
6	0	N	2	\$7,837.00	\$19,592.50	50%	\$ 89,000	\$ 44,500	N
7	0	N	5	\$12,144.00	\$30,360.00	50%	\$ 105,000	\$ 52,500	N
8	3	N	4	\$21,048.00	\$52,620.00	45%	\$ 105,000	\$ 57,750	N
9	1	N	4	\$35,299.00	\$88,247.50	40%	\$ 105,000	\$ 63,000	Y
10	2	N	2	\$14,316.00	\$35,790.00	50%	\$ 105,000	\$ 52,500	N
11	2	N	3	\$19,032.00	\$47,580.00	45%	\$ 107,000	\$ 58,850	N
12	0	N	4	\$26,722.00	\$66,805.00	45%	\$ 105,000	\$ 57,750	Y
13	1	N	2	\$10,908.00	\$27,270.00	50%	\$ 89,000	\$ 44,500	N
14	0	N	2	\$10,836.00	\$27,090.00	50%	\$ 89,000	\$ 44,500	N
15	0	N	6	\$69,570.00	\$173,925.00	40%	\$ 115,000	\$ 69,000	Y
16	0	N	3	\$15,136.00	\$37,840.00	50%	\$ 107,000	\$ 53,500	N
17	0	N	3	\$18,612.00	\$46,530.00	45%	\$ 107,000	\$ 58,850	N
18	0	N	4	\$19,550.00	\$48,875.00	45%	\$ 115,000	\$ 63,250	N
19	0	N	4	\$12,504.00	\$31,260.00	50%	\$ 107,000	\$ 53,500	N
20	2	N	4	\$21,948.00	\$54,870.00	45%	\$ 107,000	\$ 58,850	N
21	0	N	4	\$32,120.00	\$80,300.00	40%	\$ 90,000	\$ 54,000	Y
22	0	N	5	\$16,564.00	\$41,410.00	50%	\$ 92,000	\$ 46,000	N
23	0	N	4	\$23,736.00	\$59,340.00	45%	\$ 92,000	\$ 50,600	Y
24	1	N	2	\$29,584.00	\$73,960.00	40%	\$ 110,000	\$ 66,000	Y
25	1	N	5	\$48,407.00	\$121,017.50	40%	\$ 105,000	\$ 63,000	Y
26	0	N	2	\$14,069.00	\$35,172.50	50%	\$ 105,000	\$ 52,500	N
27	0	N	5	\$45,235.00	\$113,087.50	40%	\$ 105,000	\$ 63,000	Y
28	1	N	5	\$17,136.00	\$42,840.00	50%	\$ 107,000	\$ 53,500	N
29	4	N	4	\$31,824.00	\$79,560.00	40%	\$ 105,000	\$ 63,000	Y
30	3	N	5	\$27,923.00	\$69,807.50	45%	\$ 99,000	\$ 54,450	Y
31	1	N	2	\$12,888.00	\$32,220.00	50%	\$ 92,000	\$ 46,000	N
32	0	N	4	\$36,491.00	\$91,227.50	40%	\$ 105,000	\$ 63,000	Y
33	2	N	6	\$21,784.00	\$54,460.00	45%	\$ 110,000	\$ 60,500	N
34	1	N	4	\$21,980.00	\$54,950.00	45%	\$ 85,000	\$ 46,750	Y
35	0	N	2	\$7,776.00	\$19,440.00	50%	\$ 100,000	\$ 50,000	N
36	0	N	3	\$16,704.00	\$41,760.00	45%	\$ 115,000	\$ 63,250	N
37	0	N	3	\$27,963.00	\$69,907.50	40%	\$ 105,000	\$ 63,000	Y
38	0	N	3	\$31,826.00	\$79,565.00	40%	\$ 90,000	\$ 54,000	Y

The above chart shows the income of the families currently residing in the homes to be sold. The maximum mortgage is computed by multiplying the families' income by 2.5. The percentage of discount which would be applied is based on the families percentage of area median income. An approximate value of the property is used to compute the purchase price of the home. Those families who qualify solely on income are not shaded and have a 'Y' in the column titled Afford. Of the 38 families reviewed, fifteen (39%) currently could afford to purchase the home.